

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission, )      Application No. NUSF-1  
on its own motion, seeking        )  
to establish guidelines for        )      PROGRESSION ORDER NO. 15  
administration of the Nebraska    )  
Universal Service Fund.            )      Entered: October 12, 2000

BY THE COMMISSION:

1. On March 11, 1999, the Nebraska State Legislature passed Legislative Bill 514 (LB514) and it was subsequently signed into law by the Governor on March 18, 1999. Among other things, LB514 added section 75-609(3) to the Nebraska Revised Statutes. This section reads:

"Reductions made to access charges pursuant to subsection (2) of this section shall be passed on to the customers of interexchange service carriers in Nebraska whose payment of charges have been reduced. The commission shall have the power and authority to ensure that any access charge reductions made pursuant to subsection (2) are passed on in a manner that is fair and reasonable. The commission shall have the power to review actions taken by any telephone carrier to ensure that this subsection is carried out."

2. By order dated January 13, 1999, in Application No. C-1628, the Commission found that access charges billed to interexchange service carriers (hereinafter, "IXCs") in Nebraska by incumbent local exchange carriers (hereinafter, "ILECs") should be reduced over a transitional period. A transitional period of three years was adopted for the non-rural ILECs, US West, Aliant d/b/a ALLTEL, and GTE, and a transitional period of four years was adopted for the remaining, rural ILECs.

3. In Application No. NUSF-1 Progression Order No. 1, entered April 20, 1999, the Commission found, pursuant to its authority under Nebraska Revised Statute 75-609(3), that interexchange carriers should pass through any reductions in access charges that are paid directly to Nebraska ILECs. In accordance with this requirement, the Commission required plans be filed demonstrating this pass-through on or before August 1, 1999.

4. On February 8, 2000, the Commission entered Progression Order No. 4 in this Docket that re-affirmed that the access reductions ordered in Docket No. C-1628 were made pursuant to Commission's authority contained in Neb. Rev. Stat. 75-609(2) and set forth the method by which the Commission would determine if access charge reductions received by IXCs have been passed on to their customers.

5. Previously, the Commission determined ALLTEL, AT&T, Frontier, MCI WorldCom, Sprint Communications and Vartec had adequately passed-through the reductions in access charges they received, to their customers, for year one of the transition period.

6. In addition, the Commission determined all parties lacking

market power in the Nebraska interexchange market are compelled, due to competitive pressures, to migrate to in-state interexchange toll rates adequate to facilitate access pass through reductions necessary for Nebraska customers to realize reductions in intrastate toll rates corresponding to access reductions employed by Nebraska ILECs, and therefore, removed all carriers lacking market power in the Nebraska interexchange market, as defined by the Commission, from this proceeding.

#### O P I N I O N   A N D   F I N D I N G S

Based on additional information provided by Excel Telecommunications, Inc., Long Distance Wholesale Club, and Telco Holdings, Inc. d/b/a Dial and Save, the Commission finds that these IXCs have complied with the access pass-through requirements as set forth in the Commission's February 8, 2000, Progression Order No. 4 in this Docket. Accordingly, Excel Telecommunications, Inc., Long Distance Wholesale Club, and Telco Holdings, Inc. d/b/a Dial and Save are removed from this proceeding.

#### O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Excel Telecommunications, Inc., Long Distance Wholesale Club, and Telco Holdings, Inc. d/b/a Dial and Save, be and are hereby, removed from this proceeding.

MADE AND ENTERED at Lincoln, Nebraska, this 12th day of October, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION:

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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